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Yugoslavia

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Official Name: Socialist Federal Republic of Yugoslavia

PROFILE

People

Nationality: *Noun and adjective*—Yugoslav(s). **Population** (July 1985 est.): 23,137,000. **Annual growth rate:** 0.7%
Ethnic groups (clearly defined, 1981 census): Serbs 36.2%, Croats 19.7%, Bosnian Muslims 8.9%, Slovenes 7.8%, Albanians 7.7%, Macedonians 5.9%, Yugoslavs 5.4%, Montenegrins 2.5%, Hungarians 1.9%, Gypsies .7%, Turks .5%, Slovaks .4%, Romanians .2%, Ruthenians/Ukrainians .2%, Other 2%.
Religions: Eastern Orthodox (Serbian and Macedonian) 41%, Roman Catholic 32%, Muslim 12%, other 3%, none 12%.
Languages: Serbo-Croatian, Slovenian, Macedonian (official); Albanian, Hungarian, Italian. **Education:** *Attendance*—99% (primary school, 1979). *Literacy*—90%.

Health: *Infant mortality rate* (1983)—31.7/1,000. *Life expectancy*—men 68 yrs., women 73 yrs. **Work force** (1984): 9.7 million. *Nonagricultural*—6.4 million. *Agricultural*—2.3 million. *Unemployed*—1.0 million.

Geography

Area: 255,804 sq. km. (99,000 sq. mi.); about the size of the State of Wyoming. **Cities:** *Capital*—Belgrade (pop. 1,300,000). *Other cities*—Zagreb (700,000), Skopje (440,000), Sarajevo (400,000), Ljubljana (300,000). **Terrain:** One-third lowland hills and plains, with remainder mostly mountainous. **Climate:** Coast, hot in summer, rainy and mild in winter; inland, warm in summer, cold in winter.

Government

Type: Federal Republic. **Independence:** December 1, 1918. **Constitution:** February 1974.

Branches: *Executive*—president of the Presidency (chief of state) rotated annually from among the collective body. Premier (head of government and president of the Federal Executive Council, 4-yr. term). *Legislative*—bicameral Federal Assembly (308 delegates): Federal Chamber, Chamber of Republics and Provinces; Federal Executive Council (Cabinet; Assembly's executive arm). *Judicial*—Constitutional Court, Federal Supreme Court.

Administrative subdivisions: 6 republics, 2 autonomous provinces.

Political party: League of Communists of Yugoslavia. **Suffrage:** Universal over 18.

Defense (1983 est.): 5.2% of GNP.

National holidays: New Year's Day, May Day (May 1-2), Fighter's Day (July 4), Day of the Republic (Nov. 29-30).

Flag: Blue, white, and red horizontal stripes with a centered five-pointed red star edged in gold.

Economy

GNP (1984): $46.3 billion. **Annual growth rate** (1983-84): 1.7%. **Per capita GNP** (1984): $2,017. **Avg. inflation rate** (1984): 57%.

Natural resources: Coal, copper, bauxite, timber, iron, antimony, chromium, lead, zinc, asbestos, mercury.

Agriculture (16% of GDP): *Products*—corn, wheat, tobacco, sugar beets, livestock. *Land*—69% arable, 33% of which is plowland.

Industry (47% of GDP): *Types*—wood, processed food, nonferrous metals, machinery, textiles, leather goods, construction.

Trade (1984): *Exports*—$10.2 billion: agricultural products (including processed meats), wooden furniture, leather goods and shoes, textiles, ships, mineral ores, metal products, tobacco. *Major markets*—USSR, Italy, FRG, Czechoslovakia, US. *Imports*—$12 billion: machinery and metal products, chemicals, iron, petroleum, coking coal, steel, agricultural products. *Major sources*—USSR, FRG, Iraq, Italy.

Official exchange rate (July 1985): 285 dinars = US$1.

Economic aid received: *Total* (1945–76)—$5 billion. *US aid* (1949–65)—$2.9 billion, including $700 million in grant military assistance (1951-59). US economic aid ceased on January 1, 1967.

Membership in International Organizations

UN and its specialized and related agencies, including the International Monetary Fund (IMF), the World Bank, the International Atomic Energy Agency (IAEA), and the General Agreement on Tariffs and Trade (GATT); Council for Mutual Economic Assistance (CEMA, observer status); Organization for Economic Cooperation and Development (OECD); Nonaligned Movement.

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GEOGRAPHY

Lowland hills and plains containing most of Yugoslavia's agricultural land cover about one-third of a roughly oval area that extends from Zagreb in the northwest to Nis in the east. A few minor mountain ranges interrupt these lowlands. Mineral, metal, and timber exploitation and sheepraising are important activities there. The rest of the country is mountainous, except in the northeast. The chief mountain chain, the Dinaric Alps, runs parallel to the Adriatic coast.

Yugoslavia controls the most important land routes from central and western Europe to the Aegean Sea and Turkish straits. The Danube River—the most important water route from central and western Europe to the Black Sea—flows through northeastern Yugoslavia.

Along the Adriatic coast the climate is hot in summer and mild and rainy in winter. In the interior, the climate is moderate with seasonal variations, comparable to that of the U.S. east coast between Virginia and Rhode Island.

PEOPLE

Yugoslavia's population has the greatest ethnic and religious diversity in Eastern Europe. The nation formed in 1918 contained the principal South Slav groups and an additional 17 minorities, which are still distinguishable today.

Religious groups largely follow ethnic lines. The 7 million members of the Orthodox faith include most Serbs, Montenegrins, and Macedonians. There are more than 5 million Roman Catholics, including most Croats, Slovenes, and Hungarians. A considerable portion of the population in the Republic of Bosnia-Herzegovina, the small Turkish minority, and most of the Albanian minority combine to total more than 2 million Muslims.

The main language is Serbo-Croatian. The languages of Yugoslavia's other peoples and nationalities—primarily Slovenian, Macedonian, Albanian, and Hungarian—are also in official use.

Young Yugoslav women.

HISTORY

Before it was formed on December 1, 1918, Yugoslavia consisted of the Kingdoms of Serbia and Montenegro, plus parts of the Turkish and Austro-Hungarian Empires. This area was a vulnerable prize because of its strategic geopolitical position and was the object of rivalry between the great powers of Europe. In 1914, world attention focused on Sarajevo in central Yugoslavia, the site of the assassination of Austrian Archduke Ferdinand. This incident became the spark that ignited World War I. Yugoslavia emerged from that war as a new nation, patched together out of the defeated empires and native kingdoms and led by Serbia.

Between the two World Wars, Yugoslav politics were dominated by nationalistic conflicts between the Serbs and the Croats. Adoption of the "Vidovdan" Constitution of June 28, 1921, had placed all parts of the country under a centralized administration based on the French system. The Serbs and their political allies, the Slovenes, dominated the highly centralized government at Belgrade. The Croats pressed for a federal structure granting a certain amount of regional and ethnic autonomy. The political struggle between the Serbs and the Croats erupted violently in 1928, when a Montenegrin Serb stood up in Parliament and shot the Croatian leader, Stjepan Radic, for insulting the Serbs. In protest, the Croats withdrew from Parliament, and King Alexander established a royal dictatorship, downplaying regionalism and nationalism and espousing "Yugoslavism." The struggles continued, however, and resulted, in 1939 on the eve of World War II, in the "agreement," or Sporazum, granting considerable autonomy to Croatia.

King Alexander was assassinated by emigre extremists at Marseille in 1934. His successor, the regent Prince Paul, abandoned the King's pro-French foreign policy for one that resulted in Yugoslavia's adherence to the German-Italian-Japanese tripartite pact on March 25, 1941. Pro-allied Serb military elements, aware of wide public opposition to this move, staged a successful coup and replaced Prince Paul with the 17-year-old King Peter. Beginning April 6, 1941, the armed forces of Germany, Italy, Hungary, and Bulgaria invaded Yugoslavia and forced the royal family and the government into exile.

During the war, the country was equally torn by the invaders and by internal ethnic, religious, and political strife. A fascist, pro-Nazi, Croatian separatist group, the "Ustashe," seized power in Zagreb and, on April 10, 1941, established the so-called Independent State of Croatia that allied itself with the Axis. The resistance forces in Yugoslavia were split into the "Yugoslav Army in the Fatherland" (popularly known as Chetniks), which had close ties to the exiled government, and the National Liberation Army (the Partisans), led by Marshal Josip Broz Tito and the communist party. In vicious and tragic fighting against the occupiers and each other, the war cost close to 2 million Yugoslavs lives, about half of them at the hands of fellow Yugoslavs.

The Partisans developed a broader, more active resistance to the invaders and established their own government in the areas they controlled in late 1943. The Allies recognized the Partisans' effectiveness by sending military missions to Tito's headquarters in mid-1943 and by gradually allocating most of the supplies and equipment available for the resistance effort to his forces rather than to those of Draza Mihailovic's Chetniks. The Partisans' increase in power was facilitated in part by their control of considerable territory and arms at the time the Italian forces surrendered to the Allies.

Allied pressure induced formation of a coalition government in 1945, but communist-controlled elections produced a provisional assembly that proclaimed the Federal People's Republic of Yugoslavia on November 29. On January 31, 1946, a Soviet-type constitution was adopted, and Yugoslavia officially became a "people's republic," headed by Tito.

In the immediate postwar period, Tito worked closely with Stalin, but Yugoslavia's insistence on its own independence strained relations and led Stalin in 1948 to order Yugoslavia's expulsion from the Moscow-led international communist organization Cominform and to impose an economic blockade.

Economic and military assistance contributed by the United States ($2.9 billion from 1949–65) and its Western allies after the 1948 break helped Tito to maintain Yugoslav independence despite Cominform pressure. With this support, Tito embarked on policies to consolidate public support, strengthen the economy, and justify Yugoslavia's "independent road to socialism"—policies that made Yugoslavia a maverick in communist theory and practice. The rigid Cominform economic blockade from 1949 to 1953 led to a reorientation of Yugoslav trade toward the West, and Yugoslavia broadened its contacts with the free world in political and cultural fields as well.

Yugoslavia's search for an independent base produced efforts in the mid-1950s to identify itself as a leader of nonaligned nations, avoiding proximity to either the Soviet or the Western military bloc. Yugoslavia has been active in the Nonaligned Movement since the early 1960s and also in international conferences dealing with trade and development.

GOVERNMENT

The Socialist Federal Republic of Yugoslavia comprises six republics (Serbia, Croatia, Slovenia, Bosnia and Herzegovina, Montenegro, and Macedonia) and two autonomous provinces (Kosovo and Vojvodina, both within the Serbian Republic). Each republic or province has a government (with considerable autonomy) modeled on the federal structure. The federal government has executive, legislative, and judicial branches.

The Presidency of the Socialist Federal Republic of Yugoslavia is the supreme executive and policymaking body of the government. It comprises one representative from each of the six republics and two autonomous provinces and, *ex officio*, the president (presiding officer) of the party. Members are elected for 5-year terms by the republican and provincial assemblies in joint sessions. The last presidential election took place in 1984. Tito served as president of the republic and of the Presidency until his death in May 1980, when, in accordance with the constitution, the vice president of the Presidency became president, and Tito's position as president of the republic was abolished. The president's 1-year term rotates each May 15th among the members in prescribed order. Serbia's representative, Petar Stambolic, became president in May 1982. He was followed by Mika Spiljak, Croatia's representative, in May 1983; by Montenegro's representative, Veselin Djuranovic, in May 1984; and by Radovan Vlajkovic of the Vojvodina in May 1985.

The Assembly consists of two houses, the Federal Chamber and the Chamber of Republics and Provinces. The former has 30 delegates from each republic and 20 from each autonomous province (220 total) elected from local assemblies which are themselves elected in factories, institutions, townships, and other "interest communities." Elections were held in March and April 1982. The Chamber of Republics and Provinces is composed of delegates chosen by the republican and provincial assemblies—12 from each of the former and 8 from each of the latter.

The Assembly's executive and administrative arm is the Federal Executive Council, which is essentially equivalent to a cabinet. Its members are roughly selected on the principle of equal representation of the republics and provinces. Its presiding officer (called the president and similar to a prime minister) is proposed by the Presidency and elected by the Assembly. The current president, Milka Planinc, was elected in May 1982 to a 4-year term.

The Constitutional Court rules on the constitutionality of all laws and regulations. The Federal Supreme Court is the highest court in the judicial system, reviews decisions of republic courts, and ensures the uniform application of law by all courts. Judges are nominated by the executive and approved by the legislative branch.

Principal Government Officials

President of the Presidency—Radovan Vlajkovic
President, Federal Executive Council—Milka Planinc
Vice Presidents, Federal Executive Council—Borisav Srebric, Mijat Sukovic, Janez Zemljaric
President, Constitutional Court—Dr. Vasil Grivcev
President, Federal Assembly—Ilijaz Kurtesi

Federal Secretaries

Foreign Affairs—Raif Dizdarevic
National Defense—Branko Mamula
Foreign Trade—Milenko Bojanic
Internal Affairs—Dobroslav Culafic
Market and General Economic Affairs—Sinisa Korica
Finance—Vlada Klemencic
Justice and Public Management—Borislav Krajina

Selected Chairmen of Federal Committees

Energy and Industry—Rade Pavlovic
Agriculture—Milorad Stanojevic
Transportation and Communications—Mustafa Pljakic
Ambassador to the United States—Milo Rakic
Ambassador to the United Nations—Ignac Golob

Yugoslavia maintains an embassy in the United States at 2410 California Street NW., Washington, D.C. 20008 (tel. 202-452-6566). Consulates general are in New York, Pittsburgh, Chicago, and San Francisco, and a consulate is in Cleveland. The Yugoslav Press and Cultural Center is located at 767 Third Avenue, 18th floor, New York, New York 10017.

POLITICAL CONDITIONS

Since the early 1950s, Yugoslavia has followed a pragmatic policy that moderates many features of more orthodox Marxist regimes in pursuing the leadership's own interpretation of socialism. Certain basic human rights are recognized and protected in Yugoslavia, though they tend to be defined more in social and economic terms than in Western terms of political and civil liberties. Most Yugoslavs may travel abroad freely and, until the introduction of austerity measures in 1982, did so in ever-increasing numbers. Emigration is permitted—there are no divided family cases in Yugoslavia—and close to 625,000 Yugoslavs work abroad in Western Europe. Churches are open, and seminaries are allowed to function and even expand. Private property rights are respected—84% of all farmland is owned privately—and in manufacturing, firms with some private participation have begun to operate. Economic and social rights are strongly protected to the point that it is difficult to fire a worker, even for cause.

Respect for some other civil liberties is weak, however. Only one political party is permitted; the press is restricted and subject to party direction (though not to the rigid controls common in Warsaw Pact countries); and individuals can be jailed for criticism of the government, the party, or the late President Tito.

Basic to the Yugoslav system is the concept of self-management, which affords operational control to workers'

councils in factories and other organizations and institutions. The system of "delegate democracy" (as opposed to representational democracy) is designed to elect "nonprofessional" politicians and to ensure that workers have direct political power. The aim is to produce a genuine federalism through decentralized decisionmaking. Some Yugoslavs believe the decentralized decisionmaking system is needlessly cumbersome. Others hold that real decentralization is a necessary component of this multinational state.

League of Communists (LCY)

The LCY is the only political party permitted to function. The executive and policy management of the party is conducted by a 23-member Presidency that includes three representatives from each republic, two from each province, and one from the armed forces. This body establishes and implements party policy guidelines set by senior party leaders. After Tito's death, an annual rotation cycle was established for selecting the formal head of the Presidency, the president of the Presidency of the Central Committee. The president is selected each June from one of the republics or provinces. President Vidoje Zarkovic from Montenegro is currently responsible for convening and conducting meetings of the LCY Presidency.

Dimce Belovski from Macedonia is the LCY Presidency secretary and oversees implementation of party decisions and policy. In June 1982, LCY membership exceeded 2 million, about 9% of the population. The rank and file are relatively young, but the party is still dominated by those who participated in the wartime struggle against the Axis. The party's influence permeates all levels of government through the presence of party "delegates" in state organs.

The party does not function as a Soviet-style monolith but permits open expression of differences on some major policy issues.

ECONOMY

Since the end of World War II, the Yugoslav economy has been transformed from its war-devastated agrarian condition into an industrialized, "mid-level" technological economy, and Yugoslavia's standard of living rose steadily until 1980. Yugoslavia's postwar economic policy of Soviet-style, highly centralized planning was abandoned in the 1950s in favor of a decentralized, market-oriented model. Since the early 1950s, the Yugoslav economy has been based on "workers self-management," a socioeconomic theory of organization that the Yugoslavs consider their unique contribution to Marxism. The main principle is that factories, institutions, and other assets belong not to the state but to society as a whole. Under self-management, responsibility for decisions on investment, production, prices, and incomes has shifted from political bodies to individual enterprises. Through self-management councils, the workers manage their firms' assets for the benefit of society as a whole as well as for their own economic betterment.

Decentralization of economic decisionmaking was accompanied in the mid-1960s by a significant devolution of economic and political authority to Yugoslavia's six republics and two autonomous provinces. This process culminated in the 1974 constitution, which sharply limited the role of the federal government in economic policy formulation.

Despite changing policy directions, Yugoslavia's medium- and long-term economic goals have remained constant—high growth and rapid industrialization. Industrial policy has focused on developing technology in a wide range of domestic industries. Although these industries have improved greatly the range and supply of products available to Yugoslav consumers, the rapid industrial expansion has been conditioned on a major increase in imports of raw materials, semifinished products, key components, and industrial equipment. Since the early 1970s, policymakers have been frustrated by the sporadic, cyclical nature of economic growth. Periods of rapid industrial expansion inevitably led to balance-of-payments pressures and the eventual imposition of austerity measures to check growth and imports. As Yugoslavia entered the 1980s, the country found itself in another of these cycles. Heavy foreign borrowing in the 1970s for investment in import-substitution projects left the country with a hard currency debt burden approaching $20 billion, which was increasingly difficult to service due to the sluggish world economy and the general tightening of credit markets following the "oil shocks" of 1974 and 1979.

Much of the money borrowed abroad had been invested in large projects insufficiently oriented toward the exports needed to earn foreign exchange. By 1982 Yugoslavia found itself compelled to seek debt relief and refinancing from its foreign creditors, which include more than 600 foreign banks, 16 foreign governments united as the "Friends of Yugoslavia," and international financial institutions such as the World Bank and the International Monetary Fund (IMF). The government appointed a "blue-ribbon" commission in 1981 to study the

Further Information

These titles are provided as a general indication of material published on this country. The Department of State does not endorse unofficial publications.

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For information on economic trends, commercial development, production, trade regulations and tariff rates, contact the International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 or any Commerce Department district office.

Travel Notes

Visas: Travelers must obtain entry visas, either from a Yugoslav embassy or consulate or at any Yugoslav border crossing point or airport. Travelers with US official or diplomatic passports cannot be issued visas on arrival in Yugoslavia but must obtain them from a Yugoslav embassy or consulate abroad.

Climate and clothing: The coastal area enjoys a mild, Mediterranean climate with a mean temperature of 27°C (80°F) in summer. The interior has a moderate, continental climate with warm summers and cold winters.

Telecommunications: Telephone, telegraph, and wireless services, both national and international, are satisfactory.

Transportation: Trains offering service throughout Europe and as far east as Istanbul operate daily year round. In larger cities, inexpensive public transportation is provided by streetcars and buses. Taxis are available.

country's economic problems and make recommendations for reforms that would return the country to economic growth on a self-sustaining basis. The so-called Kraigher Commission reforms were approved by the Federal Assembly in July 1983 and incorporated into what has come to be known as the Long-Term Program of Economic Stabilization. Principal elements of this program include a plan to reduce the country's debt service ratio substantially by 1990 through intensive export promotion programs and efforts to expand the scope of market forces throughout the economy in order to increase productivity and output.

Adding to the complexity of Yugoslav economic choices are the striking regional disparities in economic well-being that remain despite three decades of intensive development efforts. Although the Yugoslav per capita gross national product (GNP) is estimated at $2,017, the highly industrialized northern Republic of Slovenia enjoys a per capita income more than five times higher than that of the Albanian-populated Province of Kosovo in the southeast. This north-south disparity of economic development and living standards is a sensitive issue with important political and social ramifications. Despite efforts to transfer wealth from north to south, the development gap widened in the 1970s. In periods of retrenchment, the poorer areas have tended to suffer most, and Yugoslav officials view the early resumption of economic growth as vitally important to maintaining domestic stability.

Faced with the familiar problems of a developing country—rapid inflation, significant unemployment (particularly in the south), and severe balance-of-payments and debt pressures, the Yugoslav Government has worked intensively to stabilize the foreign debt situation by strengthening its balance-of-payments position. Balance-of-payments surpluses were achieved in 1983 and 1984 with the assistance of debt rescheduling agreements with foreign creditors, and further refinancing arrangements for the period 1985–90 are currently being negotiated. A number of economic stabilization and adjustment measures have already been enacted, including implementation of measures for free setting of prices of domestically produced goods, amendments to the foreign investment law, and measures to improve the profitability of enterprises. Interim measures to ensure the timely payment of foreign debts were implemented in 1983 and 1984, and further changes to the country's inefficient foreign exchange allocation system are currently being debated in the Federal Assembly, with enactment expected sometime later in 1985. Yugoslav officials have repeatedly made clear their commitment to allowing greater freedom in domestic markets in order that economic recovery might become self-sustaining over the remainder of this decade.

Trade

Yugoslavia strives for a rough balance in its trade relations with Western nations, with the socialist bloc, and with developing countries. In 1984, Yugoslav trade with the Soviet Union and other members of the Council for Mutual Economic Assistance amounted to about 39% of total trade; trade with Western industrialized countries of the Organization for Economic Cooperation and Development accounted for about 41%, and trade with the Third World for about 20%.

The United States slipped to sixth place among Yugoslavia's major trading partners, with a 4.7% share of total trade. Total volume of trade between the two countries has held steady since 1982 at around $1 billion. In 1984, U.S. exports to Yugoslavia amounted to $620 million and imports from Yugoslavia to $431 million. The traditional bilateral trade imbalance in favor of the United States has been evening out as U.S. exports have declined (down 20% during 1984) and imports from Yugoslavia have increased (up 25% in 1984). Principal U.S. exports include agricultural commodities (especially soybeans and cotton), hides and skins, coal and petroleum coke, phosphate fertilizers, aircraft parts, and parts for automatic data processing equipment. Yugoslav exports to the United States include wooden furniture, canned meats, tobacco, ferroalloys, footwear, car tires, nonferrous metals, and clothing.

Due to a shortage of foreign exchange, future export opportunities for Western companies will be concentrated in certain industry sectors designated by the Yugoslav Government for further development. Such prospects exist in the areas of energy, transportation, agriculture, and food processing. In addition, products which offer good prospects for sales, provided that serious marketing efforts are undertaken, include metalworking equipment, electronic components, computers and peripherals, analytical and scientific instruments, and telecommunications equipment. A good market will also exist for machinery and supplies intended for export-oriented Yugoslav manufacturers.

Agriculture

Early efforts to collectivize agriculture were abandoned after the 1948 break with Stalin, and the present structure, in which 84% of the arable land is worked by small private farms (averaging 3.2 hectares each), has continued largely unchanged. The remaining 16% of arable land is farmed as "kombinats"—institutions that operate with socially-owned funds on a self-management basis.

Production has increased steadily over the years as a result of widespread mechanization, expanded use of fertilizers, and application of modern agricultural methods. But the full potential of Yugoslav agriculture has not been achieved. Impediments include an aging farm population and fragmented small farms, which result in an estimated 15% of arable land lying fallow. Insufficient investment in private agriculture, a lack of an effective extension service, and erratic pricing policies contribute to this problem.

Major crops include corn, wheat, sugar beets, potatoes, tobacco, soybeans,

sunflower seeds, and fruits. In 1984, corn production set a new record of 11.3 million metric tons, and wheat production reached a high level of 5.6 million metric tons. The 1984 sugar beet harvest was also placed at a record level of 6.8 million metric tons. Production of sunflower seed and soybeans increased slightly over 1983, mainly as a result of increased plantings. In general, vegetable production was better than in 1983, while the total fruit crop declined due to sharply reduced plum production, which was adversely affected by cold and rainy weather in the spring of 1984. The same weather conditions had a negative effect on grape production, which declined 12% to 1.4 million metric tons.

Yugoslavia is also an important producer of livestock. Red meat production rose to 1.26 million metric tons in 1984, while poultry meat production amounted to 311,000 metric tons. Livestock and livestock products constitute the most important exported agricultural product and currently amount to about $400 million annually.

Agricultural imports include cotton, soybeans, protein meals, vegetable oils, hides and skins, tropical produce, and citrus fruits. With the aid of the GSM-102 credit guarantee program, Yugoslavia has become an important customer for U.S. cotton and hides and skins in the last few years. In fiscal year 1985, a total of $170 million in U.S. Commodity Credit Corporation (CCC) credit guarantees were approved to Yugoslavia for purchases of U.S. cotton, hides and skins, oilseeds, and vegetable protein meals. Availability of CCC credit guarantees will continue to be a deciding factor for sales of U.S. agricultural commodities in the future.

Major Yugoslav agricultural products sold in the United States are canned pork, tobacco, and wine. Yugoslav agricultural exports to the United States in 1984 increased 15%, but still totaled only $65 million. This compares to $190 million worth of U.S. agricultural sales to Yugoslavia in the same period.

FOREIGN RELATIONS

The primary factor in Yugoslav foreign policy since 1948 has been Tito's insistence on "being master in his own house"—staking out an independent course to socialism. Yugoslavia's expulsion from the Soviet-dominated Cominform in 1948 was over this issue, and since then Yugoslavia has avoided the vulnerability of isolation. Yugoslavia has succeeded in establishing friendly relations with most states, regardless of their sociopolitical systems. To reinforce its independence, Yugoslavia has sought to maintain diplomatic and economic ties with the West, particularly Western Europe—a process that was considerably strengthened after the 1968 Soviet invasion of Czechoslovakia.

Relations with the Soviet Union fluctuate between periods of wary rapprochement and uneasy tension. The Yugoslavs firmly reject the Soviet definition of "proletarian internationalism," Soviet-Cuban attempts to move the Nonaligned Movement closer to Moscow, and foreign interference, such as in Cambodia or Afghanistan.

Yugoslav relations with its neighbors are generally good. Yugoslav-Albanian and, to a somewhat lesser degree, Yugoslav-Bulgarian relations are clouded by ethnic and historic problems.

A cofounder of the Nonaligned Movement, Yugoslavia has made nonalignment the cornerstone of its foreign policy and a platform from which to project Yugoslav influence and leadership in the Third World and international fora. The Yugoslavs strive to create an alternative to superpower blocs, to build the Nonaligned Movement into an effective political force internationally, and to uphold the movement's traditional opposition to foreign domination, both from "imperialism" and from "hegemonism," the code word for Soviet imperialism.

U.S.-YUGOSLAV RELATIONS

The United States has sought to support Yugoslavia in its goal of maintaining its complete independence and, through political, commercial, and cultural involvement, has attempted to offer Yugoslavia alternatives to dependence on the Soviet Union.

Yugoslavia enjoys most-favored-nation tariff treatment under U.S. tariff schedules and, under the Trade and Tariff Act of 1984, may utilize the Generalized System of Preferences for duty-free access for its exports to the United States.

The United States encourages American firms to consider investment in Yugoslavia. Since the original law was enacted in 1968, Yugoslav joint venture regulations have been revised several times, with the most recent revision in November 1984. The current law, considered more attractive to potential foreign investors than the previous version, no longer limits the percentage of equity which the foreign partner can contribute. More than 30 joint ventures involving American capital have been registered in the 17 years of the law's operation. Many of these have been assisted by the U.S. Overseas Private Investment Corporation (OPIC), which provides risk insurance for such investment. The Export-Import Bank has long been active in Yugoslavia and has particularly supported U.S. sales of aircraft and machinery for the steel, chemical, and nuclear energy industries through export credits and guarantees totaling almost $1 billion. In addition, CCC financing programs have supported American agricultural exports to Yugoslavia. The U.S.-Yugoslav Economic Council, a nongovernmental organization established in 1974 to promote bilateral trade and investment, since its inception has expanded from 50 to more than 165 U.S. firms and holds annual meetings in each country to bring Yugoslav and American business and banking representatives together.

In 1948 and 1964, Yugoslavia concluded agreements on financial claims of U.S. citizens for their nationalized property. It has also reached agreement with the New York-based representatives of holders of prewar Yugoslav bonds denominated in dollars.

In 1961, Yugoslavia and the United States concluded an agreement providing for establishing American reading rooms in addition to those already existing on respective U.S. Embassy and U.S. Consulate premises in Belgrade and Zagreb. In 1970, a U.S. Information Center was set up in Ljubljana. Additional centers also are open in Skopje, Sarajevo, and Titograd.

The Fulbright academic exchange with Yugoslavia is conducted by the Commission for Educational Exchange between the United States and Yugoslavia, which was established in 1964 by the signing of an executive agreement between the two governments. It should be noted that Yugoslavia is the only country in Eastern Europe with a binational commission to conduct Fulbright exchange activities. Each year 70–80 Yugoslav students, research scholars, and professors study and teach in the United States with whole or partial U.S. Government sponsorship. Others attend U.S. universities under private auspices. More than 20 American professors lecture annually at Yugoslav universities, and a significant number of other American scholars study and do research in Yugoslavia.

U.S.-Yugoslav relations have been strengthened by continuing high-level

visits. In 1963, President Tito visited the United States, and in September 1970, President Richard Nixon became the first U.S. President to visit Yugoslavia. President Tito also paid a state visit to the United States in October 1971 and made his final visit in March 1978. Vice President George Bush visited Belgrade in 1983, and the then-Yugoslav President Mika Spiljak visited Washington in February 1984. Prime Minister Milka Planinc visited the United States in May 1985. These visits demonstrate the continuity of both sides' interest in maintaining good relations. Despite different views on a number of foreign policy issues, U.S. policy continues to be based on strong and continuing support for Yugoslavia's independence, unity, and territorial integrity and respect for Yugoslavia's nonalignment. Bilateral relations are conducted in a spirit of cooperation, equality, and mutual respect, marked by regular consultations.

Principal U.S. Officials

Ambassador—John Scanlan
Minister-Counselor of Embassy—Joseph Presel
Counselor for Public Affairs (USIS)—G. Michael Eisenstadt
Counselor for Political Affairs—Richard Miles
Counselor for Economic Affairs—Lloyd George
Counselor for Administrative Affairs—William Hudson
Counselor for Agricultural Affairs—Harlan Dirks
Counselor for Consular Affairs—Albert D. Krehbiel
Defense and Air Attache—Richard L. Whisner
Naval Attache—Albert L. Curtis
Army Attache—Eugene E. Metcalf
Commercial Attache—Kurt F. Gross
Consul General, Zagreb—James W. Swihart

The U.S. Embassy in Yugoslavia is at Kneza Milosa 50, Belgrade (tel. 645-655). The U.S. Consulate General in Zagreb is at Brace Kavurica 2 (tel. 444-800). ■

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